



Commonwealth of Kentucky Public Protection Cabinet

Matthew G. Bevin, Governor

David A. Dickerson, Secretary

FOR IMMEDIATE RELEASE

Contact: Elizabeth Kuhn
(502) 564-0218
Elizabethg.kuhn@ky.gov

Department of Insurance Assists with Fraud Investigation Totaling Over \$388,000 in Court-Ordered Payments

Northern Kentucky man pleads guilty to 41 counts of fraud

Frankfort, Ky. (Dec. 20, 2016) – An investigation led by the Fraud Division of the Kentucky Department of Insurance (DOI) has resulted in \$388,803.80 in court-ordered restitution for one business. Charles Benson, a former insurance adjuster, pleaded guilty to 41 counts of insurance fraud and was sentenced earlier this month in U.S. District Court in Covington.

Benson was the mastermind behind a fraud scheme that involved recruiting individuals, who had no connection to insurance claims, to cash claims checks at local banks. The Kentucky Farm Bureau Mutual Insurance Company submitted a fraud referral case to DOI in late 2013 after suspecting that Benson was engaged in fraudulent behavior. DOI reviewed the case and officially opened an investigation in early 2014.

DOI's investigation led to the prosecution of Benson and twelve others associated with the scheme. Benson was court-ordered to pay \$176,147.93 and the other individuals a total of \$212,655.87 in restitution to Chubb Insurance Company, an insurer for Kentucky Farm Bureau Mutual Insurance Company.

"Kentucky Farm Bureau's diligence and the hard work of our DOI team were both instrumental in bringing this case to a close," said Dwayne Depp, Director of DOI's Fraud Division. "Fraud cases can increase insurance premiums for consumers and place unnecessary burdens on private business. We partner with companies across the state to investigate potential fraud and prosecute those responsible."

With over 300 active investigations this year, DOI's Fraud Division has successfully prosecuted cases totaling over \$3 million in court-ordered restitution. This is an increase from just \$369,762.00 in 2015. For more information or to report insurance fraud, contact the Department of Insurance toll free at 502-564-3630 or visit <https://insurance.ky.gov>.

###